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NSC BRIEFING

10 April 1967

NEAR EAST DEVELOPMENTS

- I. Suez: Nasr shows no signs of budging from stand on sole Egyptian control and operation of canal.

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III. Egypt says canal will take traffic up to 33 ft. draft starting today (pre-clash max: 36 ft.).

A. Up to now, vessels of more than dozen nations--including Italy, West Germany, Netherlands, Norway, Sweden, Greece, Liberia and Panama--have used canal.

1. Some have run afoul of Egyptian regulations demanding payment in specified convertible currencies.

B. British-flag vessel, Maria Vittoria--1,675 G.T.--(held up last week because sterling not accepted) still waiting at Suez.

C. Cairo press reports US-flag Barbara (11,000 tons) has asked for transit on 12 Apr. (would be first US-flag since 29 Oct.).

1. Barbara is owned by Commerce Tanker Corp., New York: left Bahrain 2 Apr. Don't yet know charterer.

D. British and French still seeking right time for Security Council action.

IV. Domestically, Nasr's reported decision to institute a general "alert" of Gov't military and civilian employees appears to reflect apprehension over possible British-French-Israeli intentions regarding Suez, in conjunction with possible Western-backed attempts to oust pro-Egyptian factions from control in Syria and Jordan.

V. Aqaba: Israelis are giving maximum publicity to 6 April arrival at Eilat of US-owned Kern Hills, carrying Iranian oil.

A. Israelis are scrambling to establish case for Aqaba freedom of transit and possibly to provoke Egyptians into taking intransigent stand which might embroil them with the US.

B. Press reports suggest Egyptians may fall into trap, since Cairo said to be promoting Arab move to protest to US over Kern Hills voyage.

1. Kern Hills, recently chartered by Israeli government fuel corporation for 38½ months, departed Eilat 8 Apr, declaring for Bandar Shapur (Iran) via Djibouti. Vessel exited Tiran Straits without incident.
2. Round-trip expected to take three weeks, bringing Kern Hills back to Eilat about 30 Apr.

C. Voyage hailed by Israelis as first step toward goal of developing trans-Israel oil route as alternative to Suez Canal.

1. 8-inch pipeline (Eilat to Beersheba) will be ready for testing about 20 Apr, fully open by 1 May (Kern Hills oil was discharged into storage tanks).
2. From Beersheba, oil must now move to Haifa refinery by rail or truck.
3. France has now agreed to assist Israelis in financing construction of 16-inch line from Eilat all the way to Mediterranean. French also want to interest US in building 32-inch line.

VI. Syria: No significant new moves have been made by opposing factions in deadlocked Syrian situation.

- A. New tests of popular strength could come in 4 parliamentary by-elections, scheduled for 4 May.
- B. Syrians continue to protest alleged Israeli bridge-building and troop deployment in border demilitarized zone near Lake Hula.
- C. Syrians have offered to let UN truce observers stay in Syrian

front line positions. Israelis are first to shoot.

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